

Message Text

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12

ACTION NEA-16

INFO OCT-01 ISO-00 IO-14 CIAE-00 DODE-00 PM-07 H-03 INR-11

L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 AID-20 COME-00 EB-11 FRB-03 TRSE-00 XMB-07

OPIC-12 CIEP-03 OMB-01 IGA-02 DRC-01 /166 W

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R 141840Z AUG 74

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 3287

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E.O. 11652: N/A

TAGS: EFIN, IN

SUBJ: WORLD BANK REPORTS ON US AID TO INDIA

SUMMARY: WILL NO ONE AT HOME STRAIGHTEN OUT THE WORLD BANK ON US AID TO INDIA. WE DON'T GIVE MUCH, BUT THE WORLD BANK KEEPS REPORTING THAT WE GIVE NOTHING. WE APPEAL TO THE MEAN MINDED. THIS CAN ONLY INCREASE THE COST OF THE SECRETARY'S VISIT.

1. THERE NOW. DO WE HAVE YOUR ATTENTION?

2. SPLENDID. LET US PROCEED. THE STATED POLICY OF THIS EMBASSY IS THAT UNITED STATES AID TO INDIA SHOULD BE SOMEWHAT HIGHER THAN THAT OF DENMARK'S. SOMEWHAT LOWER THAN THAT OF CANADA'S. WE HAVE ACHIEVED THIS NICELY CALIBRATED GOAL, BUT THE WORLD BANK KEEPS DENYING EVEN THIS MODEST ATTAINMENT. IN THE LATEST EPISODE, WORLD BANK DOCUMENT IND 74-12 DATED JULY 26, 1974 PORTRAYS THE US AS HAVING MADE NO AID COMMITMENTS IN IFY 1973-74 WITH A FOOTNOTE THAT DEBT RELIEF WAS "NOT FORMALLY COMMITTED UNTIL AFTER MARCH 31, 1974".

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3. SURELY SOMEONE IN WASHINGTON REALIZES \$73 MILLION

WAS RECEIVED ACCORDING TO OUR RECORDS IN TITLE II AID TO INDIA IN IFY 1973-74. WHY DOESN'T THIS SHOW UP? THE ISSUE OF WHETHER TO INCLUDE TITLE II IN BANK DATA WAS RESOLVED IN OUR FAVOR BUT EITHER IT HAS NOT PENETRATED THE TANK'S BUREAUCRACY OR AID CONTINUES TO LAG IN PROVIDING THE NECESSARY DATA TO THE BANK. ALSO, AS FAR AS WE KNOW, WE COMMITTED OURSELVES TO DEBT RESCHEDULING OF \$29 MILLION IN THE FALL OF 1973. WHY DOES THE BANK SAY DIFFERENT*

4. IN ANOTHER DOCUMENT (IND-74-11) THE US IS LISTED AS MAKING NEW AID COMMITMENTS FOR 1974-75 OF \$149 MILLION. WE ARE GLAD TO SEE THAT THE USG SPOKESMAN AND THE WORLD BANK FINALLY ACKNOWLEDGED THAT WE WILL HAVE A TITLE II PROGRAM IN 1974-75. BUT WE DO NOT UNDERSTAND THE NUMBER OF \$45 MILLION AS OUR ESTIMATES OF THE CIF VALUE OF THE FOOD THAT IS PROGRAMMED FOR INDIA THIS YEAR IS APPROXIMATELY \$97 MILLION. IF THE JUNE ESTIMATE IS NOW OUT OF DATE LET'S CORRECT IT. IF AID IS WORKING ON SOME OTHER BASIS THAN WE ARE LET'S STRAIGHTEN IT OUT.

5. THE ISSUE INVOLVED HERE IS NOT SIMPLY EMBASSYPIQUE WITH REPEATED WORLD BANK STATISTICAL INACCURACE. THE INDIAN PRESS CONSISTENTLY RUNS ARTICLES SHOWING THE US AS A LARGE RECIPIENT OF RESOURCES -- DEB REPAYMENT -- FROM THE GOI. WE CAN NOT VERY WELL CHALLENGE THIS SO LONG AS THE WORLD BANK, WITHOUT USG OBJECTION, SUPPORTS THIS THESIS. I THINK IT IS IMPORTANT THAT BEFORE THE SECRETARY ARRIVES HERE WE HAVE STRAIGHTENED OUT THIS SILLY MESS SO THAT WE CAN BE TALKING FROM THE SAME BASE OF DATA.
MOYNIHAN

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